

## Qualified Mortgage Insurance Premiums Deduction Worksheet for Form 2M

1. Enter the total premiums you paid in 2008 for qualified mortgage insurance for a contract entered into in 2008. ....	1.	
2. Enter the amount from Form 2M, line 21. ....	2.	
3. Enter \$100,000. ....	3.	
4. Is the amount on line 2 more than the amount on line 3?		
<input type="checkbox"/> <b>No.</b> Your deduction is not limited. Enter the amount from line 1 above on Form 2M, Schedule I, line 14.		
<input type="checkbox"/> <b>Yes.</b> Subtract line 3 from line 2. If the result is not a multiple of \$1,000, increase it to the next multiple of \$1,000. For example, increase \$425 to \$1,000, increase \$2,025 to \$3,000, etc. ....		
5. Divide line 4 by \$10,000. Enter the result as a decimal. If the result is 1.0 or more, enter 1.0. ....	5.	
6. Multiply line 1 by line 5. ....	6.	
7. <b>Qualified mortgage insurance premiums deduction.</b> Subtract line 6 from line 1. Enter the result here and on Form 2M, Schedule I, line 14. ....	7.	

## Worksheet II - Tax Benefit Rule for Federal Income Tax Refund

If you received a federal income tax refund in 2008 and you did not itemize deductions in 2007, stop here, none of your federal income tax refund is taxable to Montana.

You can only use Worksheet II to determine how much of your federal income tax refund is taxable to Montana if the only refund or reimbursement you received in 2008 is for federal income taxes that you claimed as an itemized deduction in 2007.

You cannot use Worksheet II if you received any of the following refunds or reimbursements in 2008. Instead you should use Worksheet IX, "Tax Benefit Rule Recovery of Itemized Deductions."

- A federal income tax refund in 2007 for a federal tax deduction claimed in a year prior to 2006;
- A refund or reimbursement other than a federal income tax refund, such as a real property tax refund; or
- Your itemized deductions were limited in 2006 because of the excess adjusted gross income test.

You can obtain Worksheet IX by visiting our web site at [mt.gov/revenue](http://mt.gov/revenue) or by calling us at (406) 444-6900.

1. Add lines 7a through 7d from your 2007 Form 2, Schedule III or lines 7a through 7d from your 2007 Form 2M, Schedule I and enter the result. ....	1..	
2. Enter the total of all the 2007 federal income tax refunds that you received in 2008. Do not include your refundable credits that you may have received. ....	2.	
3. Subtract line 2 from line 1 and enter the result here. ....	3.	
4. Enter the amount of Federal income tax deducted on your MT 2006 Form 2, Schedule III, line 7e or 2007 Form 2M, Schedule I, line 7e. ....	4.	
5. Is line 3 larger than line 4? If yes, stop, your federal refund is not taxable. If no, subtract line 3 from line 4. ....	5.	
6. Enter your total allowable MT itemized deductions from your 2007 Form 2, Schedule III, line 32 or 2007 Form 2M, Schedule I, line 30. If you took the standard deduction, stop, your Federal income tax refund is not taxable. ....	6.	
7. Enter your 2007 MT adjusted gross income from Form 2, line 41 or Form 2M, line 36. ....	7.	
8. 2007 Standard deduction. Enter the amount corresponding to your 2007 Montana individual income tax filing status. • If your filing status was single enter 0.20 (20%) of line 7, but not less than \$1,650, or more than \$3,710. • If your filing status was married filing jointly, or head of household, enter 0.20 (20%) of line 7, but not less than \$3,300, or more than \$7,420. ....	8.	
9. Subtract line 8 from line 6. If the result is smaller than zero, stop, your federal refund is not taxable. ..	9.	
10. Enter the smaller of line 5 or line 9 here. ....	10.	
11. Enter here your 2007 Montana taxable income from Form 2, line 45 or Form 2M, line 40. If your amount is less than zero enter this amount as a negative amount. ....	11.	
12. If line 11 is zero or more enter the amount from line 10 here and on Form 2M, line 23. <b>This is your taxable federal income tax refund.</b> If line 11 is less than zero (a negative amount), add lines 10 and 11. • If your result remains less than zero (a negative amount) enter zero and stop here; none of your federal refund is taxable to Montana. • If your result is greater than zero (a positive amount) enter that amount here and on Form 2M, line 23. <b>This is your taxable federal income tax refund.</b> ....	12.	

## Worksheet IV - Partial Pension and Annuity Income Exemption

If you have reported taxable pension and annuity income on your Form 2M, line 11a, or certain IRA distributions on Form 2M, line 10b, you may be entitled to a partial exemption of this income. Complete Worksheet IV to determine the amount of your pension and annuity income exemption.

Early distributions from an IRA do not qualify for the exemption. Subtract any non-qualifying distribution(s) from Form 2M, line 10b before reporting amounts on this worksheet.

If you receive Tier II Railroad Retirement benefits, see the instructions for Form 2M, line 35 on page 9.

1. Enter your federal adjusted gross income from Form 2M, line 21 here. ....1.	
2. Federal adjusted gross income limitation amount. ....2.	\$30,000
If line 1 is smaller than line 2, enter on Form 2M, line 30, the smaller of your pension and annuity income, or \$3,600 for each person who has pension and annuity income. Stop here; do not complete the remainder of this worksheet.	
3. If line 1 is larger than line 2, subtract line 2 from line 1 and enter the result here. ....3.	
4. Fill out only one of the following. If your filing status is:	
a. Single, head of household. Enter the smaller of your pension and annuity income or \$3,600. ....4a.	
b. Joint. Enter the smaller of each spouse's taxable pension and annuity income or \$3,600 in the following space: his _____ hers _____; then enter the total of his and her total pension and annuity income here. ....4b.	
5. Double the amount on line 3 and enter the result here. ....5.	
6. Pension and annuity exclusion. Subtract line 5 from line 4a or 4b, whichever applies. If the result is zero or negative, you are not eligible for the pension and annuity exclusion. If the number is positive, enter the result here and on Form 2M, line 30. <b>This is your partial pension and annuity exemption.</b> ....6.	

## Worksheet V - Standard Deduction

1. Enter your Montana adjusted gross income from Form 2M, line 39 here.....1.	
2. Multiply the amount on line 1 by 0.20 (20%) and enter the result here .....2.	
3. Enter here the amount below that corresponds to your filing status.....3.	
If your filing status is single (Form 2M filing status 1) enter \$3,810. <b>This is your maximum standard deduction.</b>	
If your filing status is joint or head of household (Form 2M filing status 2 or 3) enter \$7,620. <b>This is your maximum standard deduction.</b>	
4. Enter here the amount from line 2 or 3, whichever is smaller .....4.	
5. Enter here the amount below that corresponds to your filing status.....5.	
If your filing status is single (Form 2M filing status 1) enter \$1,690. <b>This is your minimum standard deduction.</b>	
If your filing status is joint or head of household (Form 2M filing status 2 or 3) enter \$3,380. <b>This is your minimum standard deduction.</b>	
6. Enter here and on Form 2M, line 40 the amount from lines 4 or 5, whichever is larger. <b>This is your standard deduction</b> .....6.	

## Worksheet VI - Itemized Deduction Worksheet

1. Enter your total itemized deductions from Form 2M, Schedule I, line 29 here. ....1.	
2. Add lines 4, 5, 6, 7f, 15, 19, 20 and 27 from Form 2M, Schedule I, and enter the result here. ....2.	
3. Subtract line 2 from line 1 and enter the result here. If the result is zero, stop here, and enter the amount from line 1 above on Form 2M, line 40. You do not have to complete this worksheet. ....3.	
4. Multiply the amount on line 3 above by 80% (0.80) and enter the result here. ....4.	
5. Enter your Montana adjusted gross income from Form 2M, line 39 here. ....5.	
6. Enter here \$156,400. ....6.	
7. Subtract line 6 from line 5. If the result is zero or less, stop here, and enter the amount from line 1 above on Form 2M, line 40. You do not have to complete this worksheet. ....7.	
8. Multiply line 7 by 0.03 (3%) and enter the result here. ....8.	
9. Enter the smaller of the amounts on line 4 or line 8 here. ....9.	
10. Multiply the amount on line 9 by 2 and enter the result here. ....10.	
11. Divide the amount on line 10 by 3 and enter the result here and on Form 2M, Schedule I, line 30. <b>This is the amount of your itemized deductions not allowed.</b> ....11.	

## Worksheet VII - Calculation of Interest on Underpayment of Estimated Taxes - Short Method

You are required to pay your income tax liability throughout the year. You can make your payments through employer withholding, through installment payments of estimated taxes, or through a combination of employer withholding and estimated tax payments.

You are not required to make estimated tax payments if one of the following conditions relate to you:

- Your combined tax liability after you applied your withholding and estimated tax payments is less than \$500.
- You did not have a 2006 income tax liability and you were a citizen or resident of the United States the entire year.
- Your underpayment was due to a casualty, disaster, or another unusual circumstance.
- You retired in either 2006 or 2007 after reaching the age of 62.
- You become disabled in either 2006 or 2007.
- You are a farmer or rancher and 66 2/3% of your 2007 gross income is derived from your farming and ranching operation. Your 66 2/3% farming and ranching income is determined annually and is based on your 2007 gross income. Please note that Montana does not use the same "look back" period that the Internal Revenue Service uses to determine the percentage of your farming and ranching income for federal income tax purposes.

If you did not pay in advance at least 90% of your 2007 income tax liability (after applying your credits) or 100% of your 2006 income tax liability (after applying your credits) you may have to pay interest on the underpayment of your estimated taxes.

If you are required to pay interest on your underpayment, you can use this short method to determine your interest, but you can use this short method only if:

- You made non-estimated tax payments or your payments were only Montana withholding, or;
- You made four equal estimated payments by the required due date.

If you are not eligible to use this short method to calculate your interest on your underpayment, use Montana Form EST-I, "Interest on Underpayment of Estimated Tax Payments." You can access this form by visiting our website at [mt.gov/revenue](http://mt.gov/revenue) or by calling us at (406) 444-6900.

1. Enter your 2007 total tax liability reported on Form 2M, line 50 here. ....	1.	
2. Multiply line 1 by 0.90 (90%) and enter the result here. ....	2.	
3. Combine the amounts on Form 2M, line 51, that portion of line 52 that includes amounts credited from prior year's tax refunds, and line 54. Enter the result here. ....	3.	
4. Subtract line 3 from line 1 and enter the result here. If your result is \$500 or less, stop here, you do not owe interest on your underpayment. ....	4.	
5. Enter here the income tax liability that you reported on your 2006 Form 2, line 59, 2006 Form 2M, line 47 or 2006 Form 2EZ, line 16 here. ....	5.	
6. Enter the smaller of line 2 or line 5 here. ....	6.	
7. Combine the amount on line 3 above with the estimated tax payments that you reported on your 2007 Form 2M, line 52. Enter the result here. ....	7.	
8. Subtract line 7 from line 6. If the result is zero or less, stop here, you do not owe interest on your underpayment. <b>This is your total underpayment for 2007.</b> ....	8.	
9. Multiply line 8 by 0.05320 and enter the result here. ....	9.	
10. If you paid the amount on line 8 on or after April 15, 2008, enter zero. If you paid the amount on line 8 before April 15, multiply the amount on line 8 by the number of days you paid before April 15 by 0.0002192 and enter the amount here. ....	10.	
11. Subtract line 10 from line 9 and enter the result here and on Form 2M, line 57. <b>This is your interest on underpayment of estimated taxes.</b> ....	11.	

## Worksheet VIII - Taxable Social Security Benefits for Form 2M

Your social security benefits taxable to Montana may be different from what is taxable federally. Complete this worksheet to determine your Montana taxable social security when filing Form 2M.

1. Enter the total amount from box 5 of all your federal Form SSA-1099. ....	1.	
2. Multiply line 1 by 0.50 (50%) and enter result here. ....	2.	
3. Add the amounts on Form 2M, lines 6, 7a, 8a, 9, 10b, 11b and 12 and enter the result here. ....	3.	
4. Add the amounts on Form 2M, lines 22, 23, 24, 26 and tax exempt interest on line 7b that is not included in line 22. ....	4.	
5. Add lines 2, 3 and 4 and enter the result here. ....	5.	
6. Add the amounts on Form 2M, lines 16, 17, 29 through 33, 35 and 36 and enter the result here. ....	6.	
7. Is the amount on line 6 less than the amount on line 5?		
<input type="checkbox"/> No None of your social security benefits are taxable. Enter zero on line 18 and go to line 19.		
<input type="checkbox"/> Yes Subtract line 6 from line 5 and enter the result here. ....		
8. Enter the amount that corresponds to your filing status.		
\$32,000 if your filing status is "married filing jointly."		
\$25,000 if your filing status is "single" or "head of household." ....		
9. Is the amount on line 8 less than the amount on line 7?		
<input type="checkbox"/> No None of your social security benefits are taxable. Enter zero on line 18 and go to line 19.		
<input type="checkbox"/> Yes Subtract line 8 from line 7 and enter the result here. ....		
10. Enter the amount that corresponds to your filing status.		
\$12,000 if your filing status is "married filing jointly."		
\$9,000 if your filing status is "single" or "head of household." ....		
11. Subtract line 10 from line 9 and enter the result here. If less than zero, enter zero. ....		
12. Enter here the smaller of line 9 or line 10. ....		
13. Multiply line 12 by 0.50 (50%) and enter the result here. ....		
14. Enter the smaller of line 2 or line 13. ....		
15. Multiply line 11 by 0.85 (85%) and enter result here. If line 11 is zero, enter zero. ....		
16. Add lines 14 and 15 and enter the result here. ....		
17. Multiply line 1 by 0.85 (85%) and enter result here. ....		
18. Enter the smaller of line 16 or 17. <b>This is your Montana taxable social security benefits.</b> ....		
19. Enter the federal taxable amount of social security benefits that you reported on Form 2M, line 13b. ....		
20a. If line 19 equals line 18, the amount of the federal taxable social security benefits that you reported on Form 2M, line 13b is the same amount that is taxable to Montana. No adjustment is necessary.		
20b. If line 19 is less than line 18, enter the difference here and on Form 2M, line 25. <b>This is the portion of your social security benefits that are exempt from federal tax and not included on Form 2, line 13b that are taxable to Montana.</b> ....		
20c. If line 19 is greater than line 18, enter the difference here and on Form 2M, line 34. <b>This is the portion of your federal taxable social security benefits that are included on Form 2M, line 13b that are not taxable to Montana.</b> ....		

# 2008 Montana Individual Income Tax Return

Form 2M

Calendar year income tax return for a Montana resident filing as single, jointly or head of household.

<input type="checkbox"/> Check here if this is an Amended Return.	Your first name and initial	Last name	Deceased <input type="checkbox"/>	Your social security number
	Spouse's first name and initial	Last name	Deceased <input type="checkbox"/>	Spouse's social security number
	Mailing address		City	State      Zip+4

Filing Status (check only one box)

1. ☐ Single

2. ☐ Married filing jointly

3. ☐ Head of Household

4. ☒ Resident full year (Only to be used by full-year Montana residents. Nonresidents and part-year residents must use Form 2.)

Exemptions	5a. <input checked="" type="checkbox"/> Yourself	<input type="checkbox"/> 65 or older	<input type="checkbox"/> Blind	Enter number checked .....	5a.
	5b. <input type="checkbox"/> Spouse	<input type="checkbox"/> 65 or older	<input type="checkbox"/> Blind	Enter number checked .....	5b.
	Dependent's first name	Last name	SSN	Relationship	Disabled
5c. Total dependents. If additional dependents, see instructions. ....					5c.
5d. Add lines 5a thru 5c and enter total exemptions here .....					5d.

Enter amounts corresponding to your federal tax return. Round to nearest dollar. If no entry, leave blank.

Federal Adjusted Gross Income	6. Wages, salaries, tips, etc. Attach federal Form(s) W-2. ....	6.		
	7a. Taxable interest. Attach federal Schedule B or federal Schedule 1 if required. ....	7a.		
	b. Tax-exempt interest. Do not include on line 7a. ....	7b.		
	8a. Ordinary dividends. Attach federal Schedule B or federal Schedule 1 if required. ....	8a.		
	b. Qualified dividends. ....	8b.		
	9. Capital gain or (loss). Attach federal Schedule D if required. ....	9.		
	10a. IRA distributions. ....	10a.	Taxable amount. ....	10b.
	11a. Pensions and annuities. ....	11a.	Taxable amount. ....	11b.
	12. Unemployment compensation and jury duty pay. ....	12.		
	13a. Social security benefits. ....	13a.	Taxable amount. ....	13b.
	14. Taxable refunds, credits or offsets of state and local income and property taxes. ....	14.		
	15. Add lines 6 through 14 (far right column.) <b>This is your total income.</b> ....	15.		
	16. Penalty on early withdrawal of savings. ....	16.		
	17. IRA deduction. ....	17.		
	18. Student loan interest deduction. ....	18.		
19. Jury duty pay you gave to your employer. ....	19.			
20. Add lines 16 through 19 and enter the result here. <b>This is your total adjustments to income.</b> ....	20.			
21. Subtract line 20 from line 15 and enter the result here. <b>This is your federal adjusted gross income.</b> ....	21.			

Montana Adjusted Gross Income	22. Interest and municipal fund dividends state, county or municipal bonds from other states. ....	22.
	23. Taxable federal refund. ....	23.
	24. Addition to federal taxable social security/railroad retirement. ....	24.
	25. Medical care savings account nonqualified withdrawal. ....	25.
	26. Add lines 22 through 25 and enter the result here. <b>This is your Montana additions to federal adjusted gross income.</b> ....	26.
	27. Exempt interest and dividends from federal bonds, notes, and obligations. ....	27.
	28. Exempt unemployment compensation. ....	28.
	29. Partial pension and annuity income exemption. ....	29.
	30. Partial interest exemption for taxpayers 65 and older. ....	30.
	31. Exemption for certain taxed tips and gratuities. ....	31.
	32. Exempt medical care savings account deposits and earnings. ....	32.
33. Subtraction to federal taxable social security/Tier I Railroad Retirement. ....	33.	
34. Subtraction for federal taxable Tier II Railroad Retirement. ....	34.	
35. Federally taxable refunds, credits or offsets of state income taxes. ....	35.	
36. Add lines 27 through 35 and enter the result here. <b>This is your Montana subtractions from federal adjusted gross income.</b> ....	36.	
37. Add lines 21 and 26, then subtract line 36. <b>This is your Montana adjusted gross income.</b> ....	37.	

Taxable Income	38. Montana adjusted gross income from line 37 .....38.	
	<b>Deductions</b> (Check only one box)	
	39. (A) Standard Deduction (see Worksheet V on page 18): (A) <input type="checkbox"/>	
	(B) Itemized Deductions (from Form 2M, Schedule I, line 31): (B) <input type="checkbox"/> .....39.	
	40. Subtract line 39 from line 38 and enter amount here .....40.	
	<b>Exemptions</b> (All individuals are entitled to at least one exemption.)	
	41. Multiply \$XXXX by the number of exemptions on line 5d and enter result here.....41.	
	42. Subtract line 41 from line 40 and enter the result here. If zero or less, enter zero. <b>This is your taxable income</b> .....42.	
Tax	43. Tax from the tax table on page 4 of this form. If line 42 is zero, enter zero .....43.	
	44. 2% capital gains tax credit.....44.	
	45. Subtract line 44 from line 43 and enter the result here. If zero or less, enter zero. <b>This is your resident tax after capital gains tax credit</b> .....45.	
Credits	46. Enter the amount from Schedule II, line 6. <b>This is your total nonrefundable credits</b> .....46.	
	47. Subtract line 46 from line 45 and enter the result. If zero or less, enter zero. <b>This is your total tax after nonrefundable credits</b> .....47.	
Payments and Offsets	48. Montana income tax withheld. Attach federal Form(s) W-2 and 1099 .....48.	
	49. 2008 estimated tax payments and amounts applied from your 2007 return.....49.	
	50. 2008 extension payment from Form EXT-08.....50.	
	51. Elderly Homeowner/Renter Credit from Form 2EC, line 13.....51.	
	52. Payments made with original return .....52.	
	<b>If filing an amended return:</b> 53. Previously issued refunds.....53.	
	54. Add lines 48 through 52, then subtract line 53 and enter the result here. <b>This is your total payments</b> .....54.	
	55. If line 47 is greater than line 54, subtract line 54 from line 47 and enter the result here. <b>This is your net tax due</b> .....55.	
	56. If line 54 is greater than line 47, subtract line 47 from line 54 and enter the result here. <b>This is your net tax overpaid</b> .....56.	
Penalty, Interest and Contributions	57. Interest on underpayment of estimated taxes. (See instructions on page 10.) .....57.	
	58. Late file, late payment penalties and interest. (See instructions on page 10.) .....58.	
	59. Medical Care Savings Account 10% penalty .....59.	
	60. Voluntary checkoff contributions. Check the appropriate box(es) if you wish to contribute in addition to your existing tax liability. Enter your total voluntary checkoffs here. ....60.	
	Nongame Wildlife Program <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or _____ (specify amount)	
	Child Abuse Prevention <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or _____ (specify amount)	
	Agriculture in Schools <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or _____ (specify amount)	
	End-stage Renal Disease Program <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or _____ (specify amount)	
	Montana Military Family Relief Fund <input type="checkbox"/> \$5, <input type="checkbox"/> \$10, or _____ (specify amount)	
	61. Add lines 57 through 60 and enter the result here. <b>This is your total penalties, interest and contributions</b> .....61.	
Amount You Owe or Your Refund	62. If there is an amount on line 55 (net tax due), add lines 55 and 61 and enter the result here. If there is an amount on line 56 (net tax overpaid) and it is less than line 61, subtract line 56 from line 61 and enter the result here. <b>This is the amount you owe</b> .....62.	
	63. If there is an amount on line 56 (net tax overpaid) and it is greater than line 61, subtract line 61 from line 56 and enter the result here. <b>This is your overpayment</b> .....63.	
	64. Enter the amount of line 63 you want applied to your 2009 estimated taxes .....64.	
	65. Subtract line 64 from line 63 and enter the result here. <b>This is your refund</b> .....65.	

If you wish to use direct deposit, enter your RTN# and ACCT# below. See instructions.

RTN# ACCT# 
☐ Checking  
☐ Savings

If applicable, check appropriate box. <input type="checkbox"/> Annualized estimated payments <input type="checkbox"/> Do not mail forms and instructions next year	Name, address and telephone number of paid preparer  SSN, FEIN or PTIN:	<input type="checkbox"/> Check this box and attach a copy of your federal Form 4868 to receive your Montana extension.
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May the DOR discuss this return with your tax preparer? ☐ Yes ☐ No Questions? Call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired.

Your signature is required	Date	Daytime telephone number	Spouse's signature	Date
X			X	

I declare under penalty of false swearing that the information in this tax return and attachments is true, correct and complete.



**Schedule I - Montana Form 2M Itemized Deductions**

Enter your itemized deductions on the corresponding line.

This schedule should be filed with your Montana Form 2M.

Medical and Dental Expenses	1. Medical and dental expenses.....	1.	
	2. Enter amount from Form 2M, line 38.....	2.	
	3. Multiply line 2 by 0.075 (7.5%).....	3.	
	4. Subtract line 3 from line 1 and enter result here but not less than zero. <b>This is your deductible medical and dental expense subject to 7.5% of Montana AGI.</b> .....	4.	
	5. Medical insurance premiums not deducted elsewhere on your tax return.....	5.	
	6. Long term care insurance premiums not deducted elsewhere on your tax return.....	6.	
Taxes You Paid	Complete lines 7a through 7e reporting your total federal income tax paid in 2008 before completing line 7f.		
	7a. Federal income tax withheld in 2008.....	7a.	
	7b. Federal estimated tax payments paid in 2008.....	7b.	
	7c. 2007 federal income taxes paid in 2008.....	7c.	
	7d. Other back year federal income taxes paid in 2008.....	7d.	
	7e. Federal Economic Stimulus Package Rebate received in 2008.....	7e.	
	7f. Add lines 7a through 7d and subtract line 7e and enter result here, but not more than \$5,000 if you are filing single or head of household, or \$10,000 if filing a joint return with your spouse. <b>This is your federal income tax deduction.</b> .....	7f.	
	8. Real estate taxes paid in 2008.....	8.	
	9. Personal property taxes paid in 2008.....	9.	
	10. Other deductible taxes. List type and amount: _____	10.	
Interest You Paid	11. Home mortgage interest and points reported to you on federal Form 1098.....	11.	
	12. Home mortgage interest not reported to you on federal Form 1098. If paid to the person from whom you bought the house, provide name, SSN, and address: _____	12.	
	13. Points not reported to you on federal Form 1098.....	13.	
	14. Qualified mortgage insurance premiums.....	14.	
	15. Investment interest. Attach federal Form 4952.....	15.	
Gifts	16. Contributions made by cash or check during 2008.....	16.	
	17. Contributions made other than by cash or check.....	17.	
	18. Contribution carryover from the prior year.....	18.	
	19. Child and dependent care expenses. Attach Montana Form 2441M.....	19.	
	20. Casualty and theft loss(es). Attach federal Form 4684.....	20.	
Job Expenses and Certain Miscellaneous Deductions	21. Unreimbursed employee business expenses. Attach federal Form 2106 or 2106EZ.....	21.	
	22. Other expenses. List type and amount: _____	22.	
	23. Add lines 21 and 22 and enter the result here.....	23.	
	24. Enter the amount on Form 2M, line 38 here.....	24.	
	25. Multiply line 24 by 0.02 (2%) and enter the result here.....	25.	
	26. Subtract line 25 from line 23 and enter the result here, but not less than zero.....	26.	
	27. Political contributions (limited to \$100 per taxpayer).....	27.	
	28. Other miscellaneous deductions not subject to 2% of Montana AGI. List type and amount: _____	28.	
Total Itemized Deductions	29. Add lines 4 through 6; 7f through 20; and 26 through 28 and enter the result here..... If the amount on Form 2M, line 38 is more than \$159,950 complete Worksheet VI - Itemized Deduction Worksheet, otherwise enter zero on line 30.	29.	
	30. Enter the amount from the itemized deduction Worksheet VI, line 11. <b>This is the amount of your non-allowed itemized deductions.</b> .....	30.	
	31. Subtract line 30 from line 29 and enter here and on Form 2M, line 39. <b>These are your allowable itemized deductions.</b> .....	31.	

**Schedule II - Montana Form 2M Tax Credits**Enter your Montana tax credits on the corresponding line.  
File Schedule II with your Montana Form 2M.**Nonrefundable credits that are single-year credits and HAVE NO carryover provision.**

1. College contribution credit. Attach Form CC. ....	1.	
2. Energy conservation installation credit. Attach Form ENRG-C. ....	2.	
3. Elderly care credit. Attach Form ECC. ....	3.	

**Nonrefundable credits that HAVE a carryover provision that allow you to carry forward the unused portion of your credit to future tax years.**

4. Alternative energy systems credit. Attach Form ENRG-B. ....	4.	
5. Adoption credit. Attach federal Form 8839. ....	5.	
6. Add lines 1 through 5 and enter the result here and on Form 2M, line 46. These are your total nonrefundable credits. ....	6.	

**Refundable credits are applied against your income tax liability with any remaining balance refunded to you.**

7. Elderly homeowner/renter credit. Attach Form 2EC. Enter the result on Form 2M, line 51. (You do not need to attach Schedule II if this is the only credit you are claiming.).....	7.	
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**Montana Tax Credits**

We have listed eight credits that can be used when filing Montana Form 2M. However, the Montana legislature has authorized 30 different income tax credits. See Montana Form 2, Schedule V for a list and description of these 30 tax credits that are available. If you are eligible for any of the other credits not listed above, you will have to file Montana Form 2 instead of Form 2M.

There are three categories of credits available to you on your Montana individual income tax return. With the exception of the capital gains tax credit, which is required to be applied before any other credit, (refer to the instructions for Form 2M, line 44) you are not required to apply any of these eight tax credits against your income tax liability in any particular order.

- **Nonrefundable single-year credits.** Your nonrefundable single-year

credits can only be used to offset your 2008 resident tax after capital gains credit and cannot reduce your tax liability below zero. The unused portion of your nonrefundable single-year credits that exceeded your 2008 income tax liability are lost and are unable to be used in future years.

- **Nonrefundable carryover credits.** Your nonrefundable carryover credit can be used to offset your 2008 resident tax after capital gains credit and cannot reduce your tax liability below zero. Your excess nonrefundable credit that is not applied against your 2008 income tax liability can be carried over and used to offset future year tax liabilities.
- **Refundable credits.** Your refundable credits are applied against your income tax liability with any unused credit refunded to you.

**2008 Montana Individual Income Tax Table (will be updated)**

If your taxable income is over	but not over	Multiply your taxable Income by	and subtract	equals your tax	If your taxable income is over	but not over	Multiply your taxable Income by	and subtract	equals your tax
\$0	\$2,500	0.010	\$0		\$9,000	\$11,600	0.050	\$225	
\$2,500	\$4,400	0.020	\$25		\$11,600	\$14,900	0.060	\$341	
\$4,400	\$6,600	0.030	\$69		\$14,900 or more		0.069	\$475	
\$6,600	\$9,000	0.040	\$135						

For example: Taxable income \$4,500 X 0.030 (3%) = \$135. \$135 minus \$69 = \$66 tax.